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RUEHBK/AMEMBASSY BANGKOK IMMEDIATE 0091  
RUEHEG/AMEMBASSY CAIRO IMMEDIATE 0139  
RUEHDK/AMEMBASSY DAKAR IMMEDIATE 0702  
RUEHLO/AMEMBASSY LONDON IMMEDIATE 0582  
RUEHML/AMEMBASSY MANILA IMMEDIATE 0113  
RUEPGDA/USEUCOM JIC VAIHINGEN GE IMMEDIATE  
RUEAIIA/CIA WASHINGTON DC IMMEDIATE  
RHEBAAA/DEPT OF ENERGY WASHINGTON DC IMMEDIATE  
RUCPDO/DEPT OF COMMERCE WASHDC IMMEDIATE  
RUEATRS/DEPT OF TREASURY WASHDC IMMEDIATE  
RHEFDIA/DIA WASHINGTON DC IMMEDIATE  
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S E C R E T SECTION 01 OF 03 LAGOS 000346

SIPDIS

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STATE PASS DOE FOR DAS JBRODMAN AND CGAY  
TREASURY FOR ASEVERENS AND SRENENDER  
COMMERCE FOR KBURRESS  
STATE PASS TRANSPORTATION FOR MARAD  
STATE PASS USAID FOR GWEYNAND AND SLAWAETZ  
STATE FOR DS/IP/AF, AF/EX, DS/IP/OPO, DS/ICI/PII, DS/DSS/ITA

E.O. 12958: DECL: 03/07/2016  
TAGS: [EPET](#) [PGOV](#) [ASEC](#) [PTER](#) [KHLS](#) [PINR](#) [ETRD](#) [CASC](#) [NI](#)  
SUBJECT: NIGERIA: HOSTAGE-TAKING, SITREP # 19

REF: LAGOS 339

Classified By: Acting Political/Economic Chief Shannon Ross  
for reasons 1.4 (D/E).

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Hostage Welfare Update  
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11. (SBU) Despite repeated attempts, Willbros management told us they have not been able to reach Governor Ibori over the last two days, although the Governor did send them a text message indicating the hostages were fine.

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Hostage Negotiations  
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12. (C) A source in Warri told Econoff Delta State Governor Ibori secretly went to the creeks yesterday to negotiate hostage release with Government Ekpemukpolo, but returned empty-handed. Ibori could not guarantee Ekpemukpolo there would be no military reprisal against the hostage-takers, and told him that only the federal government and President Obasanjo could provide that assurance. The same source told us the federal government is negotiating with the hostage-takers regarding the transfer of substantial funds to the militants (supposedly larger than the payment to resolve the January crisis), for the hostages' release. Shell West African Security manager told us his contacts indicate the stakes for the hostages' release are no longer at the state government level, and negotiations regarding an increase of the Niger Delta states' oil derivation to 25 percent is now "center stage" in Abuja.

13. (C) Conoff and FEST member in Warri met with Secretary to Delta State Government (SSG), Emanuel Uduaghan, for a readout on the hostage negotiations. The SSG said he met with intermediaries for the hostage-takers last night, and there

were no indications the hostages would be released soon primarily because of two major demands. He indicated two demands continue to hold up a resolution: 1) a guarantee of no military reprisals and 2) the establishment of a permanent federal government-level working committee composed of individuals from the Movement for the Emancipation of the Niger Delta (MEND) and Ijaw community leaders to address Ijaw community grievances. He said the hostage-takers want the USG and UKG as observers to committee meetings. The SSG asked if we could exert our influence to keep foreign reporters from entering the creeks. (Comment: Several Warri sources told us the militants would rather speak with the international media than the Delta State government negotiating team. Additionally, Ibori was likely embarrassed by the prominent role international reporters played in accepting the AmCit Hawkins during his release, and may be seeking to minimize their contact with militia members. End comment.)

¶4. (C) A British Deputy High Commission (DHC) representative stated High Commissioner Grozeny attended a "Cobra" ministerial-level meeting in London yesterday. The DHC representative indicated HC Grozeny may be tasked with speaking with President Obasanjo on the HMG's growing concerns regarding the duration of the hostage crisis, and to learn what, if any, negotiation action is being taken directly by the federal government. The ministers also agreed to dispatch British law enforcement officials already present in Nigeria to interview potential third party intermediaries to assess if they could provide useful information regarding the hostage-takers.

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¶5. (C) Former spokesperson for Bayelsa State Governor, Oronto Douglas, confirmed six members have been appointed to a newly formed Ijaw National Congress committee to assist with the hostages' release. He emphasized direct dialogue between the committee and the federal government, rather than through a state government channel, was key to the committee. Oronto told us the committee requested the participation of the British High Commissioner and US Ambassador as observers to the process.

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Ijaw Attacks: Shell Facilities Still Closed  
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¶6. (C) An Exxon Mobil security officer told us the Qua Iboe Terminal in Akwa Ibom has been occupied by approximately 200 Ijaw youths.

¶7. (C) A security source told Econoff Ijaw militants attacked a Nigerian National Petroleum Corporation (NNPC) vessel, the CMS Spirit, 1230 today at Chanomi Creek. Two navy gun boats and 20 naval personnel did not deter the attack. The attackers were reportedly unloading gasoline cargo known as Premium Motor Spirit (PMS). (Note: With the Warri and Kaduna refineries still closed due to pipeline damage, NNPC has been forced to increase imports of PMS. These shipments, in turn, now appear in danger. End note.). A military source told us three soldiers were shot at Forcados facility en route to Shell's Warri clinic in an early evening attack.

¶8. (C) There is no change in the status of damaged or closed Shell facilities, and production remains reduced approximately 550,000 bpd. The Floating, Production, Storage and Offloading (FPSO) vessel, the Sea Eagle, remains unmanned. Shell Security Manager Colgate told us he requires a minimum of two Nigerian Naval vessels to provide security for the Sea Eagle to resume production, but the Navy is having trouble supporting even one vessel to protect the FPSO on an on-going basis.

¶9. (C) Minister of Petroleum Resources and OPEC President Daukoru was widely quoted in the press today stating Nigeria

would have 75 percent of its shut-in production back on-line within two weeks. Shell's Colgate told us that while this estimate might be credible if Shell was unconstrained by the security situation and could return full teams to Forcados to carry out repairs, he has "no confidence" in predicting when Shell would be able to re-man the western operations area. While Shell has carried out a preliminary damage assessment of the Forcados Crude Loading Platform via aerial surveys and a visit by a small team, it has not completed a full damage assessment nor deployed a repair crew.

¶10. (C) Colgate further offered a pessimistic assessment of the security situation moving forward through the 2007 election. He stated while he was confident the current group of hostages would be released safely, he anticipates the ensuing political negotiations on oil derivation funding would be "very messy," likely leave the militias dissatisfied, and provoke additional hostile actions over the next year. He frankly anticipates Shell's western region operations will be forced to remain off-line for much of the next year due to security concerns.

¶11. (C) Chevron Environmental, Safety and Health Manager conveyed concerns that instability and the resulting inability to maintain crews in the field is impacting a fairly narrow window of opportunity to carry out work on off-shore facilities for the remainder of the year. She noted crews can work off-shore only until April or May because wave action prevents most off-shore work during the

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rainy season.

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Military Update  
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¶12. (S) Military sources said the Nigerian military is planning on expanding their presence in the Niger Delta. One source claimed General Obasa, a Deputy Director in the Nigerian Defense Intelligence Agency, is playing a direct role in the negotiating process and is communicating with the kidnappers. There were further reports that MEND was conducting large-scale recruitment of youths in Forcados area.

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Media Update  
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¶13. (SBU) The media reports were dominated by accounts of General Zamani's removal as Joint Task Force (JTF) Commander.

Other dailies reported the militants were being funded by several sources including Adel Abofewei, former aide to Bayelsa State Governor Alamieyeseigha. This Day reported Defense Headquarters Air Vice-Marshal Femi Gbadebo blaming the Nigerians in diaspora for funding the militants. There have been continued media reports of kerosene shortages and high prices for kerosene, the fuel most used by the Nigerian masses. While the NNPC publicly blamed airlines for diverting subsidized kerosene for use as aviation fuel, our sources indicate the continued closure of the Warri and Kaduna refineries is leading to kerosene shortages and accelerating prices. A Zenon oil official told us he believes the shortage would soon abate as a ship berthed today in Lagos with imported kerosene.

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Consular Update  
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¶14. (C) There have been no reports of additional attacks on AmCits. One mission Conoff and FEST member are in Warri monitoring negotiations and prepared to assist with repatriation. The UK also has a consular officer in Warri to monitor negotiations and assist with repatriation. The head of Shell Security is on standby for repatriation assistance.

